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November 5, 2001

**Ex Parte Presentation**

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: *Joint Application by SBC Communications Inc., et al. for Provision of  
In-Region, InterLATA Services in Arkansas and Missouri, CC Docket  
No. 01-194*

Dear Ms. Salas:

On behalf of SBC Communications Inc. ("SBC"), I am writing to inform you that Jared Craighead and the undersigned, representing SBC, participated on a conference call on Friday, November 2, 2001, with Scott Bergmann to discuss two questions that he had raised concerning the provision of DSL services. First, he asked whether SBC would permit a CLEC to resell the DSL telecommunications services that SBC now provides at retail to a "grandfathered" customer when that same CLEC is also reselling the voice service to that "grandfathered" customer. Second, he asked what limitations SBC imposes on the ability of a CLEC to resell the Remote Local Area Network ("R-LAN") product to retail, business customers.

We provided the following answers to Mr. Bergmann's questions: First, SBC has entered into an interconnection agreement in both Missouri and Arkansas that provides that "SBC-ASI shall make its Services [i.e., "high speed data services"] available for resale to CLEC on terms and conditions that are reasonable and nondiscriminatory" and that "SBC-ASI will not prohibit, nor impose unreasonable or discriminatory conditions or limitations on the resale of its Services." ASI-Logix Agreement – AR, § 11(A) (App. E - AR, Tab 25); ASI-Logix Agreement – MO, § 11(A) (App. G - MO, Tab 114) ("Logix Agreements"). In light of the Commission's conclusion in the Connecticut Order that the incumbent LEC's data affiliate must permit resale of DSL telecommunications services that it provides at retail "by a competitive

LEC over lines on which the competitive LEC provides voice service through resale of the [incumbent's] service," ¶ 33, SBC interprets its commitment under the Logix Agreements to include the following: With respect to those "grandfathered" customers who receive from SBC a DSL transport service at retail, SBC will permit a CLEC to resell this telecommunications service over a line on which that same CLEC provides voice service through resale of SBC's voice service.

SBC estimates that there are now fewer than 700 "grandfathered" customers in Missouri and Arkansas combined. SBC has not received a single request to resell DSL telecommunications service to any "grandfathered" customer, and the number of such "grandfathered" customers will diminish as ASI continues its long-standing policy of converting them into customers of internet service providers, see Habeeb Aff., ¶¶ 32-33, Habeeb Reply Aff. ¶ 18. Nevertheless, if a CLEC requests to resell the DSL telecommunications service then being provided to a "grandfathered" customer, the CLEC must first arrange to resell the voice service with Southwestern Bell Telephone Company ("SWBT"). Once the resold voice service is provisioned, SBC will make the DSL telecommunications service available to that same CLEC for resale. SBC will take all appropriate action and seek all necessary authority to permit the resale of this service under the circumstances described above.

Second, SBC does not "impose unreasonable or discriminatory conditions or limitations on" the ability of a CLEC to resell the R-LAN product to retail, business customers. 47 U.S.C. § 251(c)(4)(B). The R-LAN product may be purchased by a business customer for its employees to meet its own administrative telecommunications needs. As SBC has already explained, SBC offers its R-LAN service to CLECs for resale at a wholesale discount. See Reply Br. at 27 n.31; Logix Agreements, Sched. A, part VI. Just as with the "grandfathered," residential DSL transport customers, SBC will make its R-LAN DSL transport service available for resale to a CLEC that is also providing voice services to the business customer over SBC resold lines.

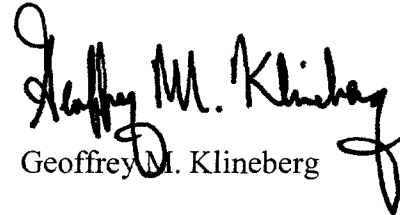
The "subscribers" to whom SBC provides the R-LAN service "at retail," 47 U.S.C. § 251(c)(4), are not the employees of the business customer but rather the business customer itself. This Commission concluded in the Connecticut Order that the incumbent LEC "must make available to resellers, at a wholesale discount, the same package of voice and DSL services that it provides to its own retail end-user customers," Connecticut Order ¶ 30 (emphasis added), and SBC does precisely that. SBC estimates that there are currently fewer than 30 R-LAN business customers in Missouri and Arkansas combined, and no CLEC has so far requested to resell the R-LAN service in either state.

In light of the FCC's Public Notice, DA 01-2436 (Oct. 17, 2001), SBC will file this letter electronically through the Commission's electronic comment filing system. Thank you for your assistance in this matter.

Magalie Roman Salas  
November 5, 2001  
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**Ex Parte Presentation**

Sincerely,

  
Geoffrey M. Klineberg

cc: Kyle Dixon  
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